



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 19, 2006

S. 655

An act to amend the Public Health Service Act with respect to the National Foundation for the Centers for Disease Control and Prevention

As ordered reported by the House Committee on Energy and Commerce on June 15, 2006

SUMMARY

S. 655 would modify the Public Health Service Act to increase the amount of the grants the Department of Health and Human Services (HHS) is authorized to provide to the National Foundation of the Centers for Disease Control and Prevention (CDC) from \$500,000 per year to \$1.25 million per year. The bill also would increase the amount HHS can transfer to the Foundation from \$500,000 to not less than \$500,000 and not more than \$1.25 million. S. 655 also would allow longer terms of voluntary service to be contributed from the Foundation to the CDC and would allow sharing of equipment and support services from the CDC to the Foundation.

CBO estimates that implementing S. 655 would cost \$1 million in 2007 and \$7 million over the 2007-2011 period, assuming appropriation and transfer of the authorized amounts.

S. 655 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments. Enacting S. 655 would not affect direct spending or receipts.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 655 is shown in the following table. The costs of this legislation fall within budget function 550 (health).

	By Fiscal Year, in Millions of Dollars					
	2006	2007	2008	2009	2010	2011
SPENDING SUBJECT TO APPROPRIATION						
Spending Under Current Law						
Estimated Authorization Level ^a	1	1	1	1	1	1
Estimated Outlays	1	1	1	1	1	1
Proposed Changes						
Estimated Authorization Level	0	2	2	2	2	2
Estimated Outlays	0	1	2	2	2	2
Spending Under S. 655						
Estimated Authorization Level ^a	1	2	2	2	2	2
Estimated Outlays	1	2	2	2	2	2

a. The 2006 level is the amount appropriated and transferred to the National Foundation for the CDC for that year.

Note: Components may not sum to totals because of rounding.

BASIS OF ESTIMATE

The National Foundation for the CDC is a not-for-profit entity that raises private funds to support the work of the CDC. Under current law, CDC may accept the services of an individual who receives financial support from the Foundation for a period of up to two years. S. 655 would eliminate that two-year restriction. The act also would allow the CDC to provide in-kind transfers and support services to the Foundation. Current law authorizes both the appropriation of \$500,000 to the Foundation and the transfer to the Foundation of \$500,000 from funds appropriated to HHS. S. 655 would increase the authorized appropriation to \$1.25 million a year, and would authorize the annual transfer from HHS of at least \$500,000 and no more than \$1.25 million.

In addition to the \$500,000 that CBO expects will be transferred to the Foundation each year under current law, CBO estimates that S. 655 would cost \$1 million in 2007 and \$7 million over the 2007-2011 period, assuming the appropriation and transfer of the necessary amounts.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 655 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

PREVIOUS CBO ESTIMATE

On May 31, 2005, CBO transmitted a cost estimate for S. 655 as reported by the Senate Committee on Health, Education, Labor, and Pensions on April 27, 2005. That version of the legislation does not differ significantly from S. 655 as ordered reported by the House Committee on Energy and Commerce. CBO's previous estimate for S. 655 did not consider the increase in transfer authority as affecting the authorization of future appropriations. This estimate corrects that error. Accounting for that change increases the estimated cost of implementing S. 665 from \$3.5 million to \$7 million over the relevant five-year periods, assuming appropriation and transfer of necessary funds.

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